

VIRGINIA Form 304 <small>2601149 Rev 11/02</small>	MAJOR BUSINESS FACILITY	Tax Year _____
	JOBS TAX CREDIT	



FISCAL YEAR filers: begin date _____, _____ and end date _____, _____

Name of Company _____	Virginia Account No. _____	FEIN - OR - Social Security Number _____
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1. Businesses qualifying for the credit: A company cannot file Form 304 and claim this credit until the first taxable year following the taxable year in which the company becomes eligible for the credit by establishing or expanding a Major Business Facility in Virginia. This credit is not available to a retail trade business if such trade is the principal activity of the facility. A Major Business Facility is established or expanded when a company creates at least 100 new, permanent full-time positions during the taxable year or any 12-month period ending within the taxable year. If the company locates its facility in a state designated enterprise zone or an economically distressed area, the job creation required for qualifying for the credit is reduced to 50 jobs. Two or more affiliated companies may elect to aggregate the number of jobs created for full-time employees to satisfy the threshold amount required for this credit. (Section 58.1-439)

Enter the Standard Industrial Classification (SIC) code for the company's primary business in Virginia: SIC _____

2a. ☐ Check here if two or more affiliated companies have aggregated the number of jobs created for purposes of qualifying for this credit and attach a separate schedule showing the name of the affiliated company, the Virginia Account Number, the Federal Employer Identification Number, the SIC code, and the voting percentage (as defined in Section 58.1-439R)

2b. This major business facility is located in city / county of _____, Virginia.
 Date facility expanded or established. _____ ☐ This is a new facility. ☐ This is an expanded facility.
 Credit based on qualifying jobs created during the twelve months ending _____.
 Number of qualifying jobs: ☐ 100 or more ☐ 50 OR MORE (FACILITY IS IN AN ENTERPRISE ZONE OR AN ECONOMICALLY DISTRESSED AREA)

3. Number of qualifying employees (see instructions):

If completing this form for the credit year, (the first taxable year following the taxable year in which the major business facility was established or expanded), complete Schedules A and B, then enter the total on line 3a.

For each of the five taxable years after the credit year, enter on line 3a the average number of qualifying employees for the credit year and enter on line 3b the average number of qualifying employees, based on your quarterly filings with the Virginia Employment Commission for the current year. See the instructions for guidance on computing the amount on line 3b. (If the number of qualifying employees in any of these five years is less than in the initial credit year, a credit recapture may be required on line 12. See the instructions for line 12 for additional information.)

3a. Number of qualifying employees in the credit year **3a.** _____

3b. Number of qualifying employees in the current year **3b.** _____

4. Threshold amount. Enter 100 (50 if the facility is in an enterprise zone or in an economically distressed area) **4.** _____

5. Number of credit year qualifying employees: Subtract line 4 from line 3(a) **5.** _____

6. Total credit allowed over three taxable years for this major business facility or expansion: Multiply line 5 by \$1,000 **6.** _____

7. Current year credit: For the credit year and each of the two subsequent taxable years, enter $\frac{1}{3}$ of the amount on line 6. Exception: Affiliated companies that aggregated jobs to qualify for this credit and file separate Virginia returns must enter the prorated current year credit amount here and attach a statement reflecting the prorated amount for each affiliated company. In all cases, for the third through tenth years subsequent to the credit year, enter zero on this line.
[Pass-through entities: Stop here and see instructions for Schedule C.] **7.** _____

8. Major business facility job tax credit passed-through from another entity. (See instructions.) **8.** _____

9. If claiming credit for more than one facility or expansion, enter the total current year credit from other facilities or expansions. (See instructions.) **9.** _____



10. Carryover credit from prior year(s) 10. _____

11. Total major business facility job tax credit accumulated this year:

Add amounts on lines 7 through 10 11. _____

12. Credit to be recaptured this year, if applicable: Attach schedule showing computation 12. _____

13. Adjusted credit: Subtract line 12 from line 11 13. _____

14. Total tax on current year return(s) after priority credits 14. _____

15. Major business facility job tax credit allowable this year: Enter the lesser amount from

line 13 or line 14. (If the amount is a negative number, increase the tax liability on the
current year return by this amount) 15. _____

CARRYOVER CREDIT INFORMATION

16. Carryover credit . If line 13 is larger than line 14, enter the difference 16. _____

SCHEDULE A (Form 304) Page ____ of ____
LIST OF QUALIFYING FULL-TIME EMPLOYEES

Attach to Form 304, Major Business Facility Job Tax Credit
A separate Schedule A must be completed for each Major
Business Facility or Qualified job expansion

Tax Year _____



Name as it appears on Form 304	Major business facility location or date of expansion (Form 304, line 2b)	FEIN - OR - Social Security Number
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List all qualifying full-time and full-time equivalent employees, including the first 100 (50 if the major business facility is in an enterprise zone or economically distressed area) and complete each column. No more than two part-time employees can be used as the equivalent of one full-time employee. Two or more affiliated companies may elect to aggregate the number of jobs created for qualified full-time employees as the result of the establishment or expansion by the individual companies to qualify for this credit. "Affiliated companies" means two or more companies related to each other such that one company owns at least 80% of the voting power of the other (or others) or at least 80% of the voting power of two or more companies is owned by the same interests. For each month, enter the total number of qualifying full-time or equivalent full-time employees on Schedule B.

Each qualifying full-time position must: (a) be of indefinite duration, created by the taxpayer as a result of the establishment or expansion of a major business facility in Virginia; and (b) require a minimum of 35 hours per week for the entire year (minimum of 48 weeks) or (c) require a minimum of 35 hours a week for the portion of the taxable year in which the employee was initially hired for, or transferred to, the facility in Virginia. Note that the hours of two qualifying part-time employees may be combined to qualify as one "equivalent" full-time employee. Seasonal or temporary positions and jobs created when a job function is shifted from an existing location in Virginia to the new major business facility and positions in building and grounds maintenance, security and other such positions which are ancillary to the principal activities performed by the employees at a major business facility do not qualify.

"Qualified full-time employees" may include the employees of a contractor or a subcontractor if permanently assigned to the taxpayer's major business facility. The taxpayer must be able to provide evidence to the Virginia Department of Taxation of a contractual agreement with the contractor or subcontractor prohibiting the contractor or subcontractor from also claiming these employees in order to receive a credit under this section.

Columns A and B: Enter the name and social security number of each qualifying employee. If claiming a qualifying employee of a contractor or affiliated company (see paragraph above), make a notation beside each such employee in Column A and attach a separate schedule showing the corresponding affiliated company or contractor.

Column C: Enter the number of full months that the employee was employed in a qualifying position during the credit year.

Column D: Enter a brief position description for the qualifying employee.

Column E: *Part-time employee hours per week.* * **Enter the number of hours worked per week by the qualifying part-time employee. No more than two qualifying part-time employees may be combined to qualify as an "equivalent" full-time employee.**

	Column A Employee Name (Use additional schedules as necessary)	Column B Social Security	Column C No. of full months employed during the credit year	Column D Brief position description	Column E Part-time employee* (no. hours per week)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

SCHEDULE B (Form 304)
Qualified Employees Schedule

Tax Year _____



Attach to Form 304, Major Business Facility Job Tax Credit
VA Department of Taxation

Name as it appears on Form 304	Virginia Account Number	FEIN or Social Security Number
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Starting with the first month of the taxable period for this return, enter the total number of qualifying full-time or equivalent full-time employees from Schedule A for each month. The instructions on Schedule A define qualifying full-time and equivalent full-time employees. The total number of qualifying employees for the taxable year will be computed on line n below and transferred to Form 304, line 3a. For additional information, see the instructions for line 3.

	Column A Number of qualified or equivalent full-time employees	Column B Number of full months employed during the credit year	Column C Multiply Column A X Column B
a		12 months	
b		11 months	
c		10 months	
d		9 months	
e		8 months	
f		7 months	
g		6 months	
h		5 months	
i		4 months	
j		3 months	
k		2 months	
l		1 month	
m	Add amounts in Column C, lines a through l.		
n	Divide line m above by 12. Enter here and on Form 304, line 3a.		

SCHEDULE C

Pass-Through Entity Identification

Tax Year _____

Name as it appears on Form 304	Virginia Account Number	FEIN or Social Security Number
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Complete this section to identify each taxpayer (individual or business) to which a portion of this credit is distributed. Enter in Columns D and E, the percentage and amount of the current year credit from Form 304, line 7, that is distributed to each partner, shareholder, etc. Attach a separate schedule if additional space is needed. Indicate the type of pass-through entity which earned this credit below:

☐ Limited liability company ☐ Partnership ☐ S corporation ☐ Other (specify) _____

Column A Name	Column B FEIN or SSN	Column C Address	Column D Percentage	Column E Credit
1.			%	
2.			%	
3.			%	
4.			%	
5.			%	

Instructions for Completing Form 304, Major Business Facility Job Tax Credit

Additional information and examples on how this credit applies is provided in 13 Virginia Administrative Code (VAC) 5-111-10 et seq. Form 304, this regulation and examples for recapturing this credit (see lines 3 and 12) are available from the Virginia Department of Taxation, Forms Request Unit, P. O. Box 1317, Richmond, VA 23218-1317. Telephone: (804) 236-2760 or 236-2761.

Two or more affiliated companies can aggregate the number of jobs created for full-time employees to satisfy the job threshold requirements as a group rather than on an individual basis. "Affiliated companies" means two or more companies related to each other such that (i) one company owns at least eighty percent of the voting power of the other (or others) or (ii) at least eighty percent of the voting power of two or more companies is owned by the same interests.

Claiming this credit excludes claiming a coalfield employment enhancement credit unless distributed from a different entity.

Fiscal year filers: Using your Federal tax period, complete the line at the top of the form.

Name, Account Number and Federal Employer Identification Number or Social Security Number: Enter the information requested.

Skip to line 9 if your only major business facility job tax credit is from a pass-through entity (partnership, S corporation, etc.).

Lines 1 through 2b: Provide information for the credit year.

Line 3. Number of qualifying employees:

Complete line 3a and/or 3b as explained on the form. You may use substitute Schedules A and B if they have the same data.

Line 3a. If this is the credit year (the first taxable year following the taxable year in which the major business facility was established or expanded), complete Schedules A and B, and enter the amount from Schedule B, line n.

SCHEDULE A: Complete Schedule A to identify each qualifying employee. The instructions are on Schedule A. The proposed regulations provide additional information.

SCHEDULE B: Complete Schedule B to compute the average number of qualifying employees on a monthly basis.

Lines a through l:

Column A. On each line, enter the number of qualified full-time or equivalent full-time employees who filled new permanent (indefinite duration) full-time positions in Virginia and were employed for the same number of months during the credit year.

Column B. The number of months preprinted in Column B should be the number of months that the qualifying employees in Column A on the same line worked during the credit year.

Column C. For each line, multiply the amount in Column A by the amount in column B.

Lines m and n:

Line m: Add the amounts in Column C, lines a through l.

Line n: Divide line m by 12. Enter here and on Form 304, line 3a.

Line 3b. Enter the average number of qualified full-time employees reported on the quarterly employment tax reports made to the Virginia Employment Commission for the current year. The average number of qualified employees must be determined to two decimal places.

Line 6. Multiply amount on line 5 by \$1,000.

Line 7. Complete this line as explained on the form. If distributing a portion of this credit to one or more taxpayers, stop here and complete Schedule C. Instructions for Schedule C are on the next page.

Line 8. Enter your total current year major business facility job tax credit distributed from another entity. *If receiving distributions from more than one pass-through entities, enter the total distribution on line 9. See the instructions for Schedule C (Form 304) for additional information.*

Line 9. Multiple major business facilities. If claiming credit for two or more facilities or expansions, complete lines 1 through 7 on separate Forms 304 for each credit. Enter the total of the line 7 amounts on line 9.

Line 10. Enter the amount of major business facility job tax credit carryover from prior years.

Line 12. Credit to be recaptured this year: If the average number of qualifying employees, as determined by your current year quarterly filings with the Virginia Employment Commission (line 3b) is less than the average number of qualifying employees for your credit year (line 3a), you may be required to recapture all or a portion of the major business facility job tax credit. See the proposed regulations for information on the recapture provisions of this credit.

Separate instructions providing examples on computing and claiming the recapture credit are also available. See the box at the top of this page for information on obtaining the proposed regulations and examples for computing and claiming any recapture amount required.

Line 14. Total tax on current year return(s) after priority credits. Claim priority credits in this order:

1. claim nonrefundable credits without carryforward provisions (i.e. credit for tax paid to another state);
2. claim carryover credits from prior years (carryover credits should be claimed in order of expiration) next;
3. claim current year credits in the order of their carryover provisions; and
4. report any unused credits as carryovers for succeeding taxable years to the extent allowed.

Line 15. *Current year major business facility job tax credit:* Enter the lesser of line 13 or line 14 here and on the applicable credit line of your Virginia income tax return or credit schedule.

Line 16. *Carryover credit to the following year:* If line 13 is larger than line 14, enter the difference.

GENERAL CARRYOVER CREDIT INFORMATION BASED ON FORM 304

The major business facility job tax credit is computed in the credit year and allowed over a three year period. This is a nonrefundable credit. Any amount unused may be carried forward for the next ten taxable years.

SCHEDULE C: PASS-THROUGH ENTITY IDENTIFICATION

If distributing all or a portion of this credit, complete Schedule C to identify each taxpayer to whom a portion of the credit is distributed. *Attach a separate schedule if additional space is needed. A print-out containing the same information may be substituted for Schedule C.*

Each partnership or limited liability company distributing this credit must also send a copy of the same partner or member information directly to the **Virginia Department of Taxation, ATTN: Major Business Facility Job Tax Credit Distribution, P. O. Box 1115, Richmond, Virginia 23218-1115** within 60 days of making the distribution.

Each taxpayer in Col. A must receive a copy of the pass-through entity's Form 304 or a statement that identifies the entity earning the credit (name, address, and state and federal identification number), and provides all information set forth on Form 304. Each taxpayer receiving a distribution will enter the amount received on Form 304, line 8 (line 9 if receiving distributions from multiple entities).

WHERE TO GET HELP

Write the Virginia Department of Taxation, P. O. Box 1115, Richmond, VA 23218-1115 or call (804) 367-8036. To order forms, call **(804) 236-2760 or (804) 236-2761.** Connect to **www.tax.state.va.us** to obtain most Virginia income tax forms and additional tax information.

Forms are also available from the office of your local Commissioner of the Revenue, Director of Finance or Director of Tax Administration.